



Labor & Economic Briefing

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Here is a summary of headlining accomplishments from the last month:

Developing Economic & Workforce Plan to “Grow Michigan”

DLEG Holds Strategic Planning Meeting to “Grow Michigan”: DLEG is playing a critical role in realizing the Governor's vision for the state and staff began putting a master economic and workforce development plan, “Grow Michigan,” into action. DLEG held a strategic planning meeting at Lansing's



Director David Hollister introduces Gov. Jennifer Granholm to Julie O'Brien, who served on the DLEG Vision & Values team. Gov. Granholm spoke to DLEG employees about the importance of developing a master economic and workforce plan to “Grow Michigan.”

Potter Park Zoo with 120 key staff to begin the strategic planning process for the department. Gov. Granholm stopped by to talk to DLEG staff about the importance of Grow Michigan to making the state a magnet state for job creation and economic growth and enhance the lives of Michigan's citizens. Staff reached a consensus mission, vision, values and goals of our department and received assignments for every bureau and agency within DLEG to create its own strategic action plan.

DLEG Mission Statement: Grow Michigan by promoting economic and workforce development, stimulating job creation and enhancing the quality of life in Michigan.

DLEG Vision: Grow Michigan into an economic powerhouse-enriching the lives of its residents by using the creativity and commitment of our staff and partners to develop the tools needed to inspire innovation, attract the best and the brightest, grow entrepreneurs, gain and retain business, protect core industries, enhance our urban and rural communities, nurture diversity, foster inclusion, promote excellence in education, strengthen the workforce and encourage new technology.

Grow Michigan's key objectives include:

- Grow businesses: Achieve a thriving business environment that results in a competitive, diversified, world-class economy.

- Grow entrepreneurship:

Create an environment and culture that fosters and supports entrepreneurial thinking and entrepreneurs and helps create technology-based companies.

- Develop a 21st century workforce: Develop a workforce with a drive for life-long learning, the skills businesses need today and an ethic of excellence

- Spur investment in communities: Ensure Michigan's cities are attractive places to life, raise a family and start and grow a business.

Departmental meetings will be held on a quarterly basis. Look for more “Grow Michigan” news in future “Labor & Economic Briefing” reports.

MEDC Part of Governor's Seven-Point Plan to Grow Michigan's Economy: Governor Granholm announced in her State of the State address that three new state financial programs will be created to attract and grow businesses in Michigan. The Venture Michigan Fund, Emerging Business Fund and Small Business Growth Fund will leverage federal and private dollars to make more than half a billion dollars available for starting new high-tech businesses. The MEDC will administer the Emerging Business and Small Business Growth funds, while the Michigan Department of Treasury will manage the Venture Michigan Fund.



**Governor
Jennifer M.
Granholm**



Stakeholders' Meeting ■ Potter Park Zoo

Creating New Investments & Job Opportunities

Michigan Expansions and Redevelopments Announced: The MEDC announced that Global Engine Manufacturing Alliance in Dundee and Mitsubishi Climate Control in Sterling Heights have both decided to expand and create new jobs as a result of assistance through the Michigan Economic Growth Authority (MEGA) program. Assistance to redevelop brownfield sites in Grand Rapids and Detroit was also approved through the MEGA board. The following is a summary of the new developments:

- **Global Engine Manufacturing Alliance (GEMA)**, a joint venture between DaimlerChrysler, Hyundai and Mitsubishi, plans to build a second manufacturing plant in Dundee. Assistance from the MEDC helped convince the company to choose Dundee for the expansion, which is expected to create 842 new jobs for Michigan workers over the next 20 years and generate \$323 million in private investment. The new facility will provide 450,000 square-feet of additional manufacturing space for production of a new family of 4-cylinder aluminum engines to be used in a variety of future vehicles. The MEDC offered an incentive package that included a Single Business Tax credit worth up to approximately \$21.6 million over a 20-year period and up to \$400,000 in Economic Development Job Training (EDJT) grants to make the project a reality.

- **Mitsubishi Heavy Industries Climate Control, Inc. (MCC)** plans to invest an estimated \$7.4 million in a new technical center to be located in Sterling Heights. The automotive air conditioning manufacturer is projected to create 115 new jobs for Michigan workers. A Single Business Tax credit offered by the MEDC worth more than \$1.3 million over the next 10 years helped convince MCC to expand in Sterling Heights. The new center will bring research and development activity to Michigan that is currently done in Japan.

- **Standard Federal Bank**, one of the largest banks in the Midwest, plans to utilize brownfield tax capture valued at \$241,500 to build a new 5,000 square foot branch in the city of Detroit. The captured revenue will be used to prepare blighted property at the corner of Gratiot and Conner for construction. The property is part of a 17-acre parcel formerly known as the Airport Trailer Park. Site preparation activities will include removal of concrete debris from demolition of mobile homes and abatement of contaminants including arsenic and lead. The project is expected to create eight new jobs.

- **Custer Office Environments**, a West Michigan Steelcase office furniture dealer, plans to convert a 54,500 square foot former warehouse located at 217 Grandville Street in the Heartside Neighborhood near downtown Grand Rapids into showroom and office space. The project received approval to capture more than \$343,800 in state and local taxes to fund demolition and street and sidewalk upgrades. The development is expected to retain 58 full-time Michigan jobs.

Governor, Legislative Leaders Vow to Keep Federal Mogul Plants in Michigan: Gov. Granholm and legislative leaders announced that they will put new legislation on the fast-track to amend the Michigan Economic Growth Authority (MEGA) program to help save 800 automotive industry jobs at Federal Mogul facilities in St. Johns and Greenville. The Southfield-based auto equipment manufacturer recently said that it is considering moving jobs out of the country to reduce costs. The legislation's goal will be to give the MEGA board more flexibility in the retention projects it is able to approve.

MEDC Assists Gladwin Company Expansion: The MEDC recently announced that a \$3.5 million allocation has been approved through the use of the Industrial Development Revenue Bond program to help finance the expansion of Packaging Direct in Gladwin. The bonds will be used to acquire land, construct an approximately 93,500 square foot manufacturing facility and purchase and install new machinery. Packaging Direct will operate the facility for the manufacture of thermoform packaging for sale primarily to the fresh produce industry. The project will create an estimated eight new jobs for Gladwin area families.

Grand Rapids Aerospace Plant Gets Part of Boeing 7E7: England-based Smiths Aerospace has been selected by Boeing Co. to provide the "common core system" computer for Boeing's new 7E7 jet. Smiths said that future sales of the computer system have a potential value of more than \$1 billion. The computer systems will be designed and manufactured at Smiths plants in Grand Rapids and in Cheltenham, England. The system will serve as the backbone of the airliner's computers, networks and electronics, and will host the plane's avionics and utilities functions. Smiths Aerospace recently chose to expand in Michigan as the result of an incentive package offered by the MEDC.

Tax Credits to Spur Nearly \$50 Million in Private Investment with Nine Michigan Brownfields Redeveloped: Single Business Tax (SBT) credits offered through MEDC will help redevelop nine brownfield sites in communities across the state. The projects are the first to be approved under new program guidelines enacted in January. The redevelopments will spur nearly \$50 million in private investment and create and retain up to 145 jobs. A total of approximately \$3.7 million in brownfield SBT credits were awarded to benefit the following projects:

- **Artspace Projects, Inc., Jackson** will utilize a credit valued at \$1 million to rehabilitate a vacant, contaminated industrial complex adjacent to the Jackson Armory. Artspace plans to transform the structure into 36 live-and-work loft apartments targeted toward artists and low-income tenants. The project will spur more than \$10 million in private investment.

- **B/K/G, LLC, Lansing** plans to rehabilitate the former Boys Training School located near the intersection of Marshall and Saginaw Streets on the city's East side. The long-vacant and contaminated site will be redeveloped into 183 units of owner-occupied, single-family housing. B/K/G is expected to invest more than \$19.5 million in the project. A credit valued at \$1 million will help facilitate the renovation.

- **Covenant Capital, Inc., Pinconning Township** will use an \$80,000 credit to redevelop a former gas station located at 3859 North M-13 into 12,000 square feet of commercial and retail space. The project is expected to spur \$825,000 in investment and create 12 full time jobs.

■ **Cedar Jolly Properties, LLC**, has been granted a credit valued at \$130,000 to redevelop an abandoned gas station site near the corner of Jolly and Cedar Streets. The old structure will be demolished to accommodate the construction of a new station with a car wash operation. The project is expected to spur \$1.3 million in private investment and create 10 full-time jobs.

■ **Cinderella, Inc, Saginaw**, an aluminum coping manufacturer and fabricator, plans to utilize a \$100,000 credit to expand on the former CSX railroad site in the city of Saginaw. The 112,000-square-foot expansion will accommodate additional warehousing and office space. Cinderella is expected to invest \$1 million in the project and retain 33 jobs.

■ **Custer Office Environments, Grand Rapids** will use a \$250,000 credit to help redevelop an abandoned building located at 217 Grandville Avenue near downtown Grand Rapids into a new headquarters and showroom facility. The company plans to invest \$2.5 million in the project and retain 66 jobs.

■ **Daisy at Plymouth, LLC, Plymouth** will redevelop the former Daisy Air Rifle manufacturing facility using a \$1 million credit. Daisy plans to renovate a 60,000-square-foot portion of the original facility into residential lofts and construct an additional 19 detached, residential condominiums. The developer will invest more than \$11 million in the project.

■ **Fifth/Third Bank, Monroe** has been approved for a credit valued at \$159,500 to build a new bank branch on contaminated property located at 415 South Monroe Street. The company plans to invest more than \$1.5 million in the project, which is expected to retain nine jobs and create six new jobs.

■ **Flagstar Bank, Farmington** will invest \$1.7 million to rehabilitate a contaminated, blighted site at the corner of Orchard Lake Road and Grand River Avenue. The company plans to build a full-service banking and financial services branch at the site. A credit valued at \$172,450 will help facilitate the project.

The administrative process for awarding brownfield credits involving projects with \$10 million or less in private investment was recently transferred from the Michigan Department of Treasury to the MEDC. Prior to January 5, 2004, the MEDC had authority only to grant brownfield SBT credits for projects involving more than \$10 million in private investment. Treasury processed the smaller requests on a first-come-first-served basis. Since the demand for the credits outstripped the amount available in recent years, the MEDC has devised new criteria to determine the eligibility of the smaller brownfield projects, ensuring that sites with the greatest community impact would receive consideration. The chair of the Michigan Economic Growth Authority Board makes the final determinations on projects based on the recommendations from the MEDC.

Michigan Remains National Expansion Leader - First State to Win More Than 10,000 Projects Over the Course of Seven

Years: Michigan has continued its number one position as the state with the most new business corporate expansions and facilities in the nation over the past seven years, according to *Site Selection* magazine. Between 1997 and 2003, Michigan welcomed a total of 10,229 major new developments, including 448 in 2003. Michigan is the first state to break the 10,000-project mark since *Site Selection* began gathering the data, and is more than 2,600 projects ahead of California, its nearest competitor. In addition, *Site Selection* named Traverse City as the top small town for business growth for the second year in a row. Detroit finished third in the metro category, following Chicago and New York. The results of the 2003 Governor's Cup competition will be featured in the March issue of *Site Selection* magazine and on <http://www.siteselection.com>. Michigan is among the top five states in this year's round of the competition, following Ohio, New York, Texas and Illinois. "Michigan performs well consistently in our annual Governor's Cup competition," said *Site Selection* editor Mark Arend. "The state's first-place finish in recent years and top-five finish the past two years is proof that economic development leadership at the state level really does attract capital investment and jobs." To qualify for the Governor's Cup competition, projects must have at least \$1 million in new investment or reinvestment, 20,000 or more square feet of new construction or create 50 or more new jobs.

Encouraging Economic & Urban Development

Second Round Main Street Makeover Competition Heats Up with Seven Communities in Preliminary Running: The MEDC announced that seven communities have submitted letters of intent to apply for the coveted Michigan Main Street community designation. This is the second year of the competition, which provides winning communities with intensive year-round training in the National Main Street program's revitalization strategies. The training is designed to foster new investment and job creation in downtowns around the state. **Baldwin, Clare, Kalkaska, Lapeer, Linden, Monroe and Muskegon** are vying for up to four Main Street designations that will be granted this year. Full applications are expected to be received from the seven communities in April. Qualified applications must include a detailed, three-year budget outlining the private and public sector funding sources for the program and a commitment to hire a full-time Main Street manager. The community must also be able to demonstrate the need to restructure its downtown business district. Applications judged to have the highest merit will be invited to give a formal presentation to the Main Street Advisory Committee in May. The committee's final decision is expected in June.

MBDA Loan for \$500,000 Expands Broadband Coverage Battle Creek, Kalamazoo, Jackson, Eaton Rapids, Lansing, Howell, Brighton and Birmingham: The Michigan Broadband Development Authority (MBDA) has extended financing to PCS Broadband, a Jackson-based company that will improve broadband access in the state. PCS Broadband (a fixed wireless broadband Internet service provider) is being used to expand service to the cities of Battle Creek, Birmingham, Brighton, Eaton Rapids, Fenton, Howell, Jackson, Kalamazoo and Lansing, and other locations as approved by the MBDA. PCS Broadband currently provides service to Ann Arbor, Detroit, Dexter, Farmington, Livonia, Southfield and Wixom. MBDA's financing will now allow PCS Broadband to expand its wireless broadband service for small- to medium sized businesses in areas where incumbent cable and/or DSL coverage is weak or non-existent. Specifically, PCS will be able to purchase additional tower antenna and customer premise equipment, allowing it to extend its wireless network.

Executives On Loan To MEDC: The Department of History, Arts and Libraries and the Michigan Economic Development Corporation are working together with two private-sector professionals as part of a volunteer "executives on loan" program. The executives are helping HAL and MEDC identify the common elements and goals of economic and cultural development as part of the effort to formulate policies for creative community growth in Michigan. Neeta Delaney, director of the Armory Park Arts Project in Jackson, and Ric Geyer, an executive with Deloitte & Touche, started work with HAL and the MEDC in January.

\$500,000 for Kettering Fuel Cell Center: The MEDC recently presented Kettering University with a ceremonial check for \$500,000, representing MEDC funding toward the development of the university's new Center for Fuel Cell Systems and Powertrain Integration in Flint. Kettering will use the funding to pay for key alternative energy equipment that will support fuel cell research and education. An additional \$1.8 million is being provided by the federal Economic Development Agency and \$700,000 from industry and Kettering sources for the Fuel Cell Center. The Center will be housed in the C.S. Mott Engineering and Science Center and will include business incubator office space for up to six companies. Companies housed in the incubator will have access to research results as well as the opportunity to collaborate with members of the Center's Industry Partnership Consortium.

Michigan Wins Gold for Education: Expansion Management magazine placed Michigan near the head of the class in its 13th Annual Education Quotient ranking of 2,800 school districts nationwide. Michigan had 20 top-rated "gold" schools, placing it among the top 10 states, and 32 second-tier "blue" schools. The magazine measured graduate outcome, resource index, and community index for large school districts in the United States. The Education Quotient then divided school districts into five rankings: Gold (top 17 percent of districts evaluated), Blue (top third), Green (average), Yellow (bottom 25 percent), and Red (bottom 10 percent). Most states had less than five Golds and 17 states had none.

2004 Technology Tri-Corridor Funding Developments:

■ **Technology Tri-Corridor Sessions Draw a Multitude of Contenders:** The MEDC announced that approximately 650 potential competitors for 2004 Michigan Technology Tri-Corridor funding attended information sessions held around the state in January. The annual competition for funding, administered by the MEDC, seeks aspiring entrepreneurs with innovative projects for research and commercialization ventures in the three high-tech sectors targeted by the Tri-Corridor: advanced automotive manufacturing, homeland security and life sciences. The winners are expected to be announced in June. Additional program information is available at <http://medc.michigan.org/ttc/>.

■ **More Than 400 Vying for 2004 Tri-Corridor Funding:** The MEDC received 406 letters of intent (LOI) for projects seeking to benefit from \$24 million in funding available from the Michigan Technology Tri-Corridor this year. Letters of intent were received from universities, nonprofit and private research facilities, companies and individuals. A total of 96 are in basic or applied research, while another 126 are for services related to commercialization, such as venture fund investment, brokering services, Internet security, market research and strategic planning. The remaining 184 projects deal with technology ready for commercialization. Full proposals for research and commercialization projects are due by February 28.

Travel Michigan and Coca-Cola Working Together: Travel Michigan and the Coca-Cola Bottling Company of Michigan have teamed up to promote Michigan winter fun. Ten million custom 12 oz. Coca-Cola cans will have special graphics encouraging consumers to visit the Travel Michigan Web site for information about travel opportunities throughout the state. The cans will be distributed throughout Michigan and some Ohio markets. The words "Visit michigan.org for winter fun" will be printed around the top of the can. In addition, an information panel on the side of the can will feature the Travel Michigan lighthouse logo and website address for free travel information.

Michigan's Official Travel Guide Now Available: Be sure to pick up your free copy of the 2004 Michigan Travel Ideas magazine, available now (<http://www.michigan.org>). This year's version features stories about Michigan's world-class golf resorts, an exclusive preview of Detroit's landmark River Rouge Ford Plant tours, and a calendar of events. Travel Ideas readers are encouraged to visit the Travel Michigan Web site for expanded and specialized travel content.

Creating Cool: The Economy of Arts and Culture

Great Hometown Marketing Opportunities Surround Michigan Week's 50th: Michigan Week, an annual salute to what makes the Great Lakes State so unique, is scheduled for May 15-21, 2004. In special tribute to the first Michigan Week 50 years ago, the 1954 tag line - "This is YOUR Michigan!" - is being used for 2004. Many local communities across the state have long known that Michigan Week offers just the mix of tradition, nostalgia and celebration to help create marketing campaigns that will attract new and lapsed interest in Michigan from state residents and non-residents alike. What makes Michigan Week unique is that it can serve as a catalyst for more than just a celebration, giving organizations the opportunity to use its focus and reputation to lay the groundwork for something that will have meaningful impact long after the confetti and streamers have been swept away. Because Michigan Week occurs practically the same time every year, there are opportunities to plan long-term programs that can build momentum season after season. With its unmatched natural beauty, cultural and historical assets, and midwestern appeal, Michigan is a marketing bonanza. Developed and nurtured properly, a Michigan Week celebration campaign can be a powerful tool in promotion efforts and goodwill building. For more information, visit <http://www.michigan.gov/michiganweek>. Or, to see how the Sturgis area has embraced the Michigan Week concept, visit http://www.sturgischamber.com/events_miweek.htm.

Michigan's Local Historic Districts Capitalize on Cool: How have Ann Arbor, Kalamazoo, Holland and Grand Rapids created "cool" for their residents? One way is by preserving their historic resources through the establishment of local historic districts. Since the passage of Michigan's Local Historic District Act, 59 communities have established local historic preservation ordinances that protect historic resources in locally designated districts. As of January 1, 2000, owners of owner-occupied or income-producing properties in those districts have been eligible for either state income tax or single business tax credits for the rehabilitation of resources in those districts, spurring over \$15 million of private investment in historic districts during the last two years alone. In addition to protecting a community's character, historic districts lead to property value appreciation. According to *Investing in Michigan's Future: The Economic Benefits of Historic Preservation*, which compared historic district and non-historic district property values in five communities, there is a positive correlation between local historic designation and property value. (Study published by Michigan Historic Preservation Network, 2002; available at <http://www.mhpn.org>). By rehabilitating historic buildings and structures, communities preserve the unique character that sets them apart from their "non-cool" counterparts. To find out more about Michigan's historic preservation programs, contact the State Historic Preservation Office at (517) 373-1630 or preservation@michigan.gov, or visit <http://www.michigan.gov/shpo>.

New Michigan Quarter Showcases Uniqueness of Great Lakes State: Cold weather didn't cool the enthusiasm of hundreds of residents who gathered on Statehood Day at the Capitol to catch a first look at Michigan's new quarter. Governor Jennifer Granholm, U.S. Mint Director Henrietta Holsman Fore and Department of History, Arts and Libraries (HAL) Director Dr. William Anderson led the official unveiling ceremony inside the State Capitol on Jan. 26, as onlookers packed into the rotunda. The new quarter - the 26th to be redesigned as part of the U.S. Mint's "50 State Quarters"® program - offers a clean depiction of Michigan's two distinctly shaped peninsulas, the five Great Lakes, and the motto "Great Lakes State." Governor Granholm cited the release of this new quarter (<http://www.usmint.gov>) as an opportunity for people throughout the world to "meet Michigan" all over again. While hundreds of people waited in line to purchase the new quarters, roughly 1,000 free quarters were handed out to children on the Capitol grounds.

Grants Help Libraries Boost Internet Access for Job Seekers: Public libraries across the state have long offered the use of computers with Internet access as a service to Michigan residents. Those who do not have Internet access at home have come to depend on the public library as their point of access to view government agency sites, file for unemployment, search for job possibilities, vote in the Democratic caucus, file tax returns, increase their computer skills, and much more. The Library of Michigan is offering a grant program, using funds from the federal Reed Act and the Bill and Melinda Gates Foundation, which will enable public libraries to enhance the connectivity of their public access computers to provide quicker access to Internet resources. This will greatly benefit the unemployed, reducing the time necessary to access career resources and file for unemployment. Libraries are eligible to apply for upgrades and ongoing telecommunications costs to cover broadband access, and priority will be given to libraries in areas of high unemployment. The deadline for libraries to apply for this grant is March 19, 2004. Library cooperatives around the state have also planned over 100 Reed Act-funded workshops to help libraries best provide Internet access and information to the unemployed in Michigan. For information, visit http://www.michigan.gov/hal/0,1607,7-160-17451_18668_18686-70804--,00.html.

Protecting Michigan Consumers

Smart Consumers Avoid Tax Refund Loans: Citing a recent study from the National Consumer Law Center (NCLC), Office of Financial and Insurance Services (OFIS) Commissioner Linda A. Watters urged Michigan consumers to steer clear of Refund Anticipation Loans (RAL), one of the most avoidable tax-season expenses. By refusing to take the bait offered by those pushing RAL, taxpayers across the country can avoid paying more than \$1 billion in fees. "With the advent of electronic filing—which allows for state tax refunds in as little as seven business days—the need for Refund Anticipation Loans is questionable at best," said Watters. Taxpayers are typically offered "Instant Refunds" or "Quick Cash" infusions from their tax preparation service that simply amount to an advance loan on their anticipated tax refunds. Most consumers don't need RALs since they could have their refund – in its entirety – in seven business days, if they choose to e-file. Refund Anticipation Loans can cost the average taxpayer from \$34.95 to \$104.95 in fees, plus an additional \$30-40 in "administrative" fees for a quick cash fix. National Consumer Law Center has found that the effective Annual Percentage Rates for interest on these loans can range from an outrageous 70 percent to ridiculous rates of more than 700 percent. And the worst irony is that those who qualify for the government's Earned Income Tax Credit—the lowest wage earners—are disproportionately RAL customers. For a brochure: "Don't Pay to Borrow Your Own Money" at: http://www.consumerlaw.org/initiatives/refund_anticipation/content/RALBrochure.pdf.

Number of Customers Participating in Electric Choice Increases by 70 Percent in 2003, Annual MPSC Report Shows: The Michigan Public Service Commission (MPSC) released its annual "Status of Electric Competition in Michigan" report. The report is required by the Customer Choice and Electric Reliability Act of 2000 (Public Act 141), which calls for the fostering of competition, improving the opportunities for economic development and promoting financially healthy and competitive utilities in Michigan. "This report documents that Michigan's electric choice markets have continued to expand, with the number of customers increasing by 70 percent since last year," noted MPSC Chair J. Peter Lark. Lark added, "I am pleased that this report indicates that during 2003 the Commission awarded grants of over \$20 million for shut-off protection to low-income customers and low-income energy efficiency. Winter is always a tough season for customers, and these grants should help many low-income customers get through the winter months." The entire report is available on the MPSC Web site: <http://www.cis.state.mi.us/mpsc/electric/restruct/status.htm>.

MPSC Grants Interim Rate Relief to Detroit Edison, Approves Low Income and Energy Efficiency Fund; Residential

Customers to See No Rate Increase: The Michigan Public Service Commission (MPSC) issued an order that grants partial and immediate rate relief to the Detroit Edison Company and at the same time orders the company to reduce that part of its rates that relate to power supply cost recovery (PSCR). Residential customers will see no rate increase as a result of this order. Large commercial customers will experience a 3.9 percent increase in rates, while industrial customers will be paying 2.3 percent more. "I am pleased that rates for residential customers will not increase and will remain capped until 2006," noted MPSC Chair J. Peter Lark. "In addition, there will be no rate increase for small commercial customers, whose rates are capped until 2005. While large commercial and industrial customers will see small rate increases, these increases amount to less than what these customers were paying in 1993, when the last rate increase took place." Lark also noted that this order marks the first permanent funding of the Low Income and Energy Efficiency Fund (LIEEF). Prior to the order, the LIEEF was funded through excess securitization savings, which are now exhausted. "There's no question regarding the benefits these funds provide for those struggling to make ends meet during the winter heating season. My colleagues and I are particularly pleased to issue this order, the first of its kind in Michigan, to provide mandatory low-income assistance. The order guarantees \$40 million each year to help low-income people with their energy bills," he said. For more information, visit: http://cis.state.mi.us/mpsc/orders/electric/2004/u-13808_02-20-2004.pdf.

OFIS Releases 4th Annual HMO Consumer Guide and 2003 PRIRA Recoveries: The Office of Financial and Insurance Services (OFIS) released the fourth annual health maintenance organization (HMO) Consumer Guide. The interactive guide is available on the OFIS web site at <http://www.michigan.gov/ofis> under "Publications" or by calling OFIS toll free at 877-999-6442. The quality information in the guide is based on the Health Employer Data Information Set® (HEDIS) and the Consumer Assessment of Health Plans® (CAHPS) from the National Committee for Quality Assurance (NCQA). HMOs are measured on access/service, doctor communication/service, staying healthy services, and getting better/living with illness services. Additional information on the quality measurements is available at <http://www.ncqa.org>. The HMO Consumer Guide also includes complaint statistics, which are reported to OFIS as required by the Patient's Right to Independent Review Act (PRIRA). As a result of OFIS involvement, consumers received over \$382,000.00 in claims payments and refunds.

Watters Slams Door on Unscrupulous Mortgage Company: The Office of Financial and Insurance Services (OFIS) Commissioner Linda A. Watters announced that she has entered a Final Decision with an Order of Prohibition in the case OFIS v Select Mortgage L.L.C., Kalil Khalil and Tariq Hamad for engaging in a pattern of fraud, deceit, and material misrepresentation. All are violations of the Mortgage Brokers, Lenders, and Services Licensing Act (MBLSLA). An OFIS investigation into the actions of Select Mortgage L.L.C., Kalil Khalil and Tariq Hamad found fictitious mortgage loan applications, income statements, employment verifications, real estate appraisals, title insurance policies and acts of forgery. The Order prohibits Kalil Khalil and Tariq Hamad from ever being employed by, an agent of, or control person of, any licensee or registrant under the MBLSLA or a licensee or registrant under a financial licensing act. The order can be found on the OFIS web site at: <http://www.michigan.gov/ofis> under Hearings and Decisions, Final Orders, Case No. 03-370-L, Docket No. 2003-993

OFIS Revokes Metrowide Mortgage License and Assesses \$6,000 Fine: The Office of Financial and Insurance Services (OFIS) Commissioner Linda A. Watters announced action taken by OFIS against Metrowide Mortgage Corporation in a 2002 Final Order will stand and the penalties enforced. The Final Order cited Metrowide Mortgage Corporation for numerous fraudulent activities including fabricating income verification documentation associated with loan application files; forging loan application signatures; and even submitting an affidavit to OFIS examiners containing false information in an attempt to cover up false information provided by Metrowide. After OFIS issued a Final Order revoking the license of Metrowide Mortgage Corporation for a variety of illegal activities, Metrowide appealed the Final Order up to the Michigan Supreme Court. The Court issued an Order denying the appeal on December 2, 2003. As a result, the Final Decision permanently revoked the license of Metrowide Mortgage Corporation under the MBLSLA and ordered Metrowide Mortgage Corporation to pay a civil fine for each of its violations of the MBLSLA totaling \$6,000 in addition to reasonable and necessary costs of the investigation by OFIS. Based on an examination conducted by OFIS of Metrowide Mortgage Corporation in 2000, OFIS staff determined that Metrowide Mortgage Corporation violated sections of the Mortgage Brokers, Lenders, and Services Licensing Act (MBLSLA) by not conducting business in accordance with the law and engaging in fraud, deceit, or material misrepresentation in connection with transactions governed by the act. "OFIS is committed to protecting Michigan citizens from unscrupulous individuals who engage in fraudulent activities such as these," said Watters. "Any mortgage broker that we find to have engaged in fraud, deceit or material misrepresentation will find OFIS aggressively pursuing them to the fullest extent of the law." The Order can be found on the OFIS Web site at: <http://www.michigan.gov/ofis>. The complete Final Decision can be found in the "Hearings and Decisions" area of the OFIS web site, under Case Number EX-00-226, Docket Number 2000-1670.

Helping Jobless Workers

Average Weekly Wage Increase Affects WC and UI: An increase in the state's average weekly wage (SAWW) has had an impact on the workers' compensation and unemployment insurance programs. The SAWW climbed to \$744.49 as of June 30, 2003, which boosted the maximum weekly workers' compensation benefit in 2004 to \$671. The maximum weekly benefit is based on 90 percent of the SAWW. In the UI program, the alternate earnings qualifier (AEQ) amount rose to \$14,889.80, which is 20 times the SAWW. The AEQ allows workers who have earnings of \$14,889.80 over two base period quarters to qualify for unemployment benefits.

Russian Company Picks Up Workers' Comp Liability for Rouge Steel: In a major accomplishment for the Workers' Compensation Agency, the new owners of Rouge Steel agreed to pick up the former company's existing workers' compensation liability of several million dollars. Severstal, Russia's largest steel manufacturer, recently purchased Rouge Steel, which had gone into bankruptcy. When a company goes into bankruptcy and is purchased, the new owners will generally not assume the workers' compensation liability and pension program of the former owners. Had this happened with Rouge Steel, the workers' compensation liability would have been picked up by the other self insured employers through the self-insurer's security fund. The agency's efforts benefited the state, Rouge Steel workers and the self-insureds.

UIA Issues More Than \$2 billion in Jobless Benefits: The final numbers are in for CY 2003, the Unemployment Insurance Agency paid out nearly \$2.6 billion in state and federal unemployment benefits. The 26-week state program alone accounted for nearly \$2 billion, while the federal Temporary Extended Unemployment Compensation (TEUC & TEUC-X) payments totaled almost \$561 million. The Extended Benefit program paid out a little more than \$26 million in combined state and federal funds.

Governor Names Members to Appellate Commission: Gov. Granholm recently named members to the new Workers' Compensation Appellate Commission. The Appellate Commission reviews and hears appeals of decisions and orders made by the workers' compensation magistrates. It can also review orders of the administrator and hearing referees of the Workers' Compensation Agency. The new five-member Commission replaces the former seven-member appellate commission that was abolished by the Governor's Executive Order 2003-18. At the same time, Gov. Granholm also announced six appointments to the Workers Compensation Board of Magistrates. The magistrates hear cases related to workers' compensation claims. The appointees are: Christopher Ambrose, Jack Nolish, Paul Reinhardt, Rosemary Kozielski Wolock, Michael Barney and Valencia Jarvis. Barney and Jarvis were reappointed to the Board while the others are new appointees. The appointments reduce the number of magistrates from 30 to 26. The reduction in appointments is part the governor's budget reducing initiatives eliminating six major gubernatorial appointees - four magistrates and two appellate commission members - to save the state money.



Members of the new Appellate Commission are: (left to right) James Kent, Richard Leslie, William Reamon Jr., Rodger Will and Martha Glazer.

Cutting Through Red Tape for Michigan Businesses & Workers

Steelcase Joins Employer Filed Claims: Another of Michigan's largest employers has joined UIA's Employer Filed Claims (EFC) program. Steelcase, an office furniture manufacturer, has joined DaimlerChrysler, Delphi, Ford, General Motors and Visteon. These companies now submit applications for unemployment benefits directly to the UIA on behalf of their employees during large-scale layoffs. From December 2002 through January 2003, the EFC program processed almost 183,000 unemployment benefit applications. The agency expects the EFC program to eventually process between 20 and 25 percent of all benefit applications.

Matching Employers & Workers via the Internet

Improvements Made to Michigan Talent Bank Well Received: DLEG Employment Service Agency (ESA) recently implemented architectural and functionality enhancements to Michigan Talent Bank (MTB), the state's public labor exchange. The volume of customer usage reflects high satisfaction with the enhancements. For example, for the period 1/20/04 - 2/11/04, job seekers conducted 880,724 job order searches, an average of more than 40,000 per day. In a single day (2/11/04), businesses entered or updated 1,765 job orders and conducted 3,979 resume searches, and job seekers entered or updated 10,397 resumes and conducted 51,291 job order searches. The Michigan Talent Bank is at http://www.michworks.org/mtb/user/MTB_EMPL.EntryMainPage.

Career Portal Visits on the Rise: For the month of January 2004, the Career Portal had 97,450 unique visitors and 231,037 page views. This represents a substantial increase over last year's average of 65,000 unique visitors per month. The Career Portal is at <http://www.michigan.gov/careers>. A new video-based module, People at Work, which will show video clips of workers on the job, was developed for the Career Portal. In addition, the following new components were added: Tax Info for Michigan Businesses, The Student Guide- Financial Aid 2004-2005, College Journal (from the Wall Street Journal) and the Michigan National Guard. The design and development of the job seekers' Employer Locator application (module) has begun for integration in the Career Portal.

Providing Career Development Resources

2004 Michigan Career Education Conference Draws Hundreds to Grand Rapids: Approximately 900 people participated in the 2004 Michigan Career Education Conference, which was held February 8-10 at the Amway Grand Plaza Hotel in Grand Rapids and sponsored by the Michigan Department of Labor & Economic Growth (DLEG). The theme of the conference was Teaching and Learning for Excellence. Participants included teachers, counselors, principals, and school administrators; career and technical education administrators/coordinators; community college and university administrators, instructors, and counselors; and others. Conference speakers included Robert W. Swanson, deputy director of the Department of Labor & Economic Growth; Kathleen N. Straus, president of the State Board of Education; John Kuglin, vice president of education and training programs for Comchoice, Inc.; and Dr. William H. Schmidt, a university distinguished professor and a professor of educational psychology and measurement and quantitative methods at Michigan State University. A highlight of the conference was the presentation of the 2004 Excellence in Practice Awards. The award, now in its fourth year, recognizes exemplary practices in preparing Michigan's students for careers. This year's winners were: AIS Construction Equipment Corporation/Eaton Intermediate School District; Heavy Equipment Operation and Repair Program; Branch Intermediate School District/Branch Area Careers Center Medical Technologies Program; Capital Area Career Center Histotechnology Program; Detroit Manufacturing Partnership; Golightly Career and Technical Center Academy of Finance; Kalamazoo County Education for Employment, Kalamazoo Regional Educational Service Agency; and St. Joseph County Direct Credit Partnership Agreement Program, St. Joseph Intermediate School District.

Workforce Transition Section (WTS) Assists Employers and Displaced Workers: The Workforce Transition Section (WTS) responded to 43 notices of planned plant closures or mass layoffs in the last month. Contact was made with employers and union representatives in response to receipt of a Worker Adjustment and Retraining Notification (WARN) notice, letter, phone call, newspaper article, or other means of notification. A brief overview of available dislocated worker services was given, and depending on the number of jobs impacted, a formal on-site Rapid Response Team Meeting was scheduled or arrangements were made for the local Michigan Works! Agency to meet with the affected employees to provide information on available services. Other services provided:

- Conducted six Rapid Response Meetings with employers (and union representatives, where employees are represented by a collective bargaining agreement).
- Responded to 79 phone calls and 24 e-mails from individuals, company/union representatives, and service providers who requested information or clarification of issues related to the Worker Adjustment and Retraining Notification (WARN) Act and dislocated worker services.
- Attended one worker orientation session (employees information meetings) and nine Joint Adjustment Committee meetings (JAC). Joint Adjustment Committees are established to provide a more proactive, participatory response to large plant closings or mass layoffs.

Career Awareness Summit Held at Detroit's Cobo Hall a Success: According to Cylenthia LaToye Miller, Esq., Director City of Detroit Employment & Training Department, "it far exceeded all of our expectations to have 6,121 people come to Cobo for the opportunity to gain employment!" The U.S. Office of Personnel Management worked with Employment Central! of Detroit (DLEG-ESA employees who provide employment services under contract to the City of Detroit) to sponsor an event that would raise awareness of the opportunities in federal employment, bring together many recruiting Michigan businesses, and offer workshops to increase candidates' job seeking skills.

Employment Service Agency (ESA) Part of Migrant Family Advocacy and Recruitment Delegation: A Michigan advocacy and recruitment delegation, including ESA staff, visited Texas for the third year to promote Michigan's agriculture to migrant families, while making them aware of the services available to meet their needs while in Michigan. More than 800 families attended information sessions to learn about employment opportunities in Michigan's agricultural industry.

Rehabilitation Services Assists Michiganians with Disabilities: A total of 676 Michiganians with disabilities were assisted into jobs during January 2004 by Michigan Rehabilitation Services (MRS). During the same period, MRS staff provided disability-related services to 151 Michigan employers.

More than 100 Graduate from Michigan Career & Technical Institute (MCTI): The Michigan Career & Technical Institute (MCTI), which is operated by MRS, held its winter graduation ceremony recently for 108 students. State Representative Alexander C. Lipsey of Kalamazoo delivered the commencement address. Located 20 miles northeast of Kalamazoo, MCTI offers support services and training in 12 career areas, such as culinary arts and printing, to Michigan adults with disabilities.

Office of Adult Education Sponsors Orientation: The Office of Adult Education sponsored an orientation on Feb. 6 for new Michigan Adult Education Program Directors. The training included information on state and federal legislation, resources, school law as it relates to hiring, program purposes, Workforce Investment Act Title II information, program assessment, and budgeting issues.

Adult Education Teachers Trained on CASAS Testing: In the last week of January, Adult Education Teachers were invited to attend a training using the CASAS (Comprehensive Adult Student Assessment System) Test. The session was held at three different locations in the state. The purpose of the workshops was to share information on how the CASAS Testing Instrument can be used as a broad platform for building an English as a Second Language curriculum. The teachers also had a chance to practice giving the test and discuss their experiences with the instrument. Instructors stressed the need to test ESL students in both reading and listening to capture important placement information and outcomes.

COSSA Commissioner Receives 2004 Latina Leadership Award: Commission on Spanish-Speaking Affairs Commissioner Nelida Bravo was recently named one of 12 winners of the 2004 Latina Leadership Award given by the National Foundation of Women Legislators (NFWL). Bravo was awarded at a Congressional breakfast during the annual Women Lawmakers' Networking Day on Feb. 24 in Washington, D.C. The award is given annually to Latina women who exhibit excellent leadership qualities and take active roles in their communities. Recipients are nominated by women, legislators, and affiliates of the National Council of La Raza, a National Hispanic organization that works with legislators and other Hispanic organizations.

Protecting Worker Safety & Health

MIOSHA Announces Enhanced Enforcement of Respiratory Protection for Occupational Exposure to Tuberculosis (TB): The Michigan Occupational Safety and Health Administration (MIOSHA) is extending to workers exposed to tuberculosis (TB) the same high level of respiratory protection that is provided to workers throughout Michigan. This increased level of worker protection follows a decision by the federal Occupational Safety and Health Administration (OSHA) to withdraw its 1997 proposed standard on tuberculosis. With the withdrawal of the proposed TB standard, MIOSHA will immediately begin applying the respiratory protection standard, Part 451, for protection against the disease. While the enhanced requirements will take immediate effect, MIOSHA recognizes employers may need assistance to come into compliance. The philosophy of the MIOSHA program has long been to provide both compliance and outreach activities to protect Michigan workers. MIOSHA's Consultation Education and Training (CET) Division is initiating an outreach effort to provide training and information to affected employers in Michigan. Employers are urged to take advantage of the education and training outreach to assist in their efforts to protect workers from TB hazards. In addition to the requirements of the respiratory protection standard, employee exposures to TB are also addressed by MIOSHA Directive No. 96-9, Enforcement Policy and Procedure for Occupational Exposure to Tuberculosis. This directive provides guidance on agency expectations for employers based on industry recognition that exposure to TB is a recognized hazard. The directive identifies health care facilities, long-term care facilities for the elderly, homeless shelters, drug treatment centers, and correctional facilities as posing a high risk of TB exposure. Employers who have questions about TB enforcement and compliance issues may contact MIOSHA TB Specialist, Gerry Dike, General Industry Safety and Health Division, at 248.888.8863. Employers who have questions regarding MIOSHA outreach services are encouraged to contact the Consultation Education and Training (CET) Division, at 517.322.1809.

MIOSHA Reminds Employers to Post Injury/Illness Summary: Michigan employers they are required to post the total number of job-related injuries and illnesses, which occurred in 2003. Employers must post the MIOSHA Form 300A (Summary of Work-Related Injuries and Illnesses) for three months, from Feb. 1 to April 30, 2004. The form is available on the Internet at <http://www.michigan.gov/miosha>. MIOSHA requires most Michigan employers with 11 or more employees to log and maintain records of work-related injuries and illnesses, and to make those records available during MIOSHA inspections of the workplace. Accurate accident and injury records are necessary to help MIOSHA determine how well an employer is doing at providing a safe and healthful workplace. These records include the MIOSHA Form 300 (Log of Work-Related Injuries and Illnesses); MIOSHA Form 301 (Injury and Illness Incident Report); and MIOSHA Form 300A (Summary of Work-Related Injuries and Illnesses). Employers with 10 or fewer employees and employers in certain industry groups (retail trade; finance, insurance and real estate; and certain services industries) are normally exempt from the MIOSHA recordkeeping and posting requirements. These exemptions do not excuse any employer from coverage by MIOSHA or from compliance with all applicable safety and health standards. Companies with no injuries and illnesses during the previous year are still required to post the MIOSHA Form 300A by putting zeros on the total line. A company executive must certify that the totals are correct and sign the form, which is then displayed wherever notices to employees are usually posted. A copy of the summary must also be made available to employees who move from worksite to worksite, such as construction workers, and employees who do not report to any fixed establishment on a regular basis.

Serving the Community

Michigan Broadband Development Authority Vice President Receives Community Service Award: In February, James Butler, III, Vice President of the Michigan Broadband Development Authority, received the Lansing Regional Chamber of Commerce's Community Service Award for 2003. The award honors outstanding individuals who have been an inspiration to the community, both in their profession and in their work toward making the Lansing region a better community. Among the many organizations that have benefitted from his expertise and leadership on their boards of directors are: the Boys and Girls Club, the Arts Council of Greater Lansing, Camp Highfields, Junior Achievement, Greater Lansing Urban League, MSU Museum, YMCA, Sparrow Health System and the Lansing Regional Chamber of Commerce. Through his involvement with these organizations, James has made significant contributions to improving life in the Lansing area.



*James
Butler, III*